

## Study: Crude tall oil availability insufficient to meet potential biofuels demands

**8th December 2020, Brussels – The Pine Chemistry Panel of the American Chemistry Council (ACC) launched an independent study forecasting an 8% deficit of global Crude tall oil (CTO) availability in 2030.**

According to the study *The crude tall oil value chain: Global availability and the influence of regional energy policies*<sup>1</sup>, published by *The Journal of Cleaner Production*, the 8% deficit of CTO global availability for all applications by 2030 is due to the growing demand of biofuels for transportation.

CTO, a side stream of the pulp and paper industry, is a scarce resource. One ton of pine tree pulp is needed to obtain 40kg of CTO. It is an essential raw material for the pine chemical industry. For almost 100 years, this industry has upgraded CTO into high value-added bio-based products such as paints, pharmaceuticals substances, lubricants, soaps, detergents and additives.

The Pine Chemical Industry is represented in Europe by the Hydrocarbon Resins, Rosin Resins & Pine Chemicals Producers Association (HARRPA).

“With rising demand for CTO in biofuels, regulation in place should contribute to fair and competitive access to this raw material for all end users and established value chains of CTO-based industries,” said Dan Dunleavy, Chair of the CTO Task Force of HARRPA. “In our collective effort to address climate change and improve economic stability, a balanced supply of CTO on the market is essential to achieving that agenda – today and in the future.”

To allow their policies to be in line with the European Green Deal Agenda, the announced revision of the EU Renewable Energy Directive II to contribute to higher EU climate ambition and the Chemicals Strategy for Sustainability that promotes sustainable bio-based chemistry, the HARRPA CTO Task Force urges European and national authorities to only promote policies that avoid distortive effects on the raw material markets for other uses of that same feedstock. Member States must also respect in that regard the Waste Hierarchy and Circular Economy Principles<sup>2</sup>. The new study demonstrates the importance of appropriate implementation of the Directive by Member States, especially Article 3(3)<sup>3</sup>, to achieve national support schemes for biofuels that are in line with the directive that no raw material market distortions occur.

### **About HARRPA**

The Hydrocarbon Resins, Rosin Resins and Pine Chemicals Producers Association (HARRPA), a sector group of the European Chemical Industry Council (Cefic), regroups 16 companies in Europe for a total yearly production of more than 1 million tons and a total turnover around 1,5 billion euros. The members have 32 production sites in Europe and employ more than 3000 people. For more information on HARRPA and its product families, click [here](#).

<sup>1</sup> Study commissioned by the American Chemistry Council's (ACC) Pine Chemistry Panel and developed by the Fraunhofer Institute in coordination with Fastmarkets RISI; accessible [here](#).

<sup>2</sup> When CTO is used in bio-based chemicals, the end product results in a 25% lower GHG impact than CTO used as a biofuels, according to the conclusions of Fraunhofer UMSICHT, *Analysis of the European Crude Tall Oil Industry – Environmental Impact, Socioeconomic value and downstream potential*, May 2016.

<sup>3</sup> “Member States shall ensure that their national policies, including the obligations deriving from Articles 25 to 28 of this Directive, and their support schemes, are designed with due regard to the waste hierarchy as set out in Article 4 of Directive 2008/98/EC to aim to avoid undue distortive effects on the raw material markets. [...]”, Article 3(3), Renewable Energy Directive (EU) 2018/2001.

